

State Dept. review completed

Top Secret

January 10, 1976

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PORTUGAL

Prime Minister Azevedo presented an essentially optimistic review of the Portuguese political situation in a recent tour d'horizon with US Ambassador Carlucci, although he expressed concern over the ever present threat from political extremists, particularly those on the far right.

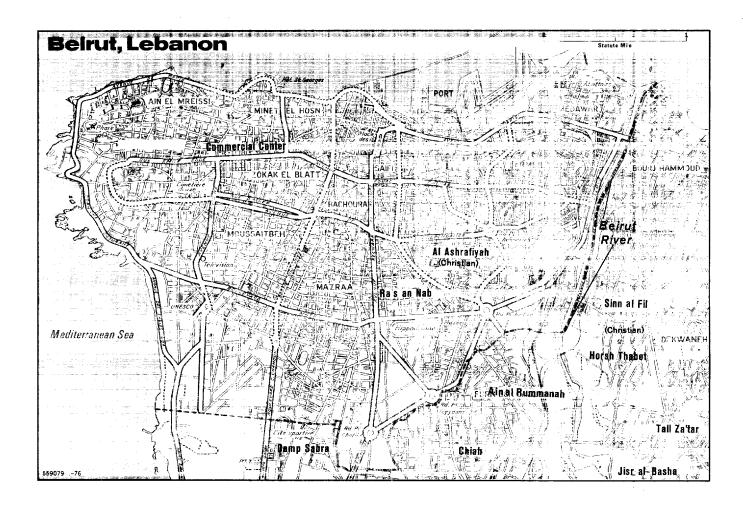
Azevedo told the ambassador that only minor jurisdictional disputes between the Socialists and the centrist Popular Democrats over sub-cabinet posts are delaying a final announcement on the government reorganization. Both parties are trying to gain maximum advantage from the government negotiations, but neither is likely to allow the talks to break down or cause a government rupture.

The Prime Minister confirmed that elections for a legislative assembly have been set, but expressed concern that the Communists and the far right would try to polarize the country in the period leading up to the April vote. Azevedo said the Communists would not be allowed to engage in subversive tactics as before, but he fears that rightist agitation may play into the Communists' hands.

Azevedo was especially worried over rightist efforts to mobilize peasants in the north and pointed to a rally planned by disaffected farmers this Sunday in the northern city of Braga as being ideal for exploitation by followers of former president Spinola. The farmers are gathering to protest the agrarian reform program and to demand higher prices for farm produce, but the rally could degenerate into an anti-Communist forum. The government apparently fears that this could trigger strong Communist reaction at several leftist rallies scheduled for next week in Lisbon.

In a more positive vein, Azevedo expressed confidence in his government's ability to solve the Azores problem. His confidence will get an early test.

An Azorean delegation hopes to meet with Azevedo today and with the
Council of Ministers on Tuesday in an effort to achieve significant changes in the
decree law issued last month that fell far short of Azorean expectations of greater
autonomy. Both sides have some room for compromi <u>se, but should the talks fail, the</u>
issue will likely trigger a strong protest in the Azores.



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LEBANON

Heavy fighting continued undiminished yesterday in the Beirut suburbs around the refugee camp of Tall Zatar and moved into the hotel district early this morning. Both sides seem to see the battle as a major test of strength and have shown little inclination thus far to negotiate a cease-fire.

The only hopeful sign is a report that President Franjiyah sent a special emissary to Damascus on January 8 apparently to seek Syrian President Asad's help in ending the fighting.

Prime Minister Karami's on-going feud with Minister of Interior Shamun has reduced his effectiveness during the current crisis and again raised questions about prospects for his government. Bickering between the two rivals was obvious Thursday on Lebanese television when Shamun called on the cabinet to use the army to restore order, or resign. Karami accused Shamun, the leader of one of the most important Christian factions, and leftist Kamal Jumblatt of being principally responsible for the country's continuing political problems.

Both warring factions, meanwhile, are claiming major gains, but reports from independent sources indicate that the fighting is stalemated. The Palestinians have thus far refrained from retaliating by attacking Christian quarters in central Beirut and are concentrating their efforts on lifting the blockade of Tall Zatar. They are reportedly insisting that the siege be lifted unconditionally before agreeing to a cease-fire.

According to an-Nahar, a reputable independent Beirut newspaper, the
Christian rightists are seeking to force the relocation of the refugee camp away from
a major highway leading to two Christian towns outside Beirut. They are also said to
be trying to reopen the whole question of Lebanese-Palestinian relations,
presumably in an effort to fend off the pressure on them to respond to the Muslim
demand for political and institutional reform.

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TURKEY

Renewed student unrest and associated street violence in many Turkish cities are posing an additional challenge to Prime Minister Demirel's faction-ridden coalition government.

Gunfire erupted between police and leftist students yesterday in front of the US consulate general in Istanbul. There was no evidence to suggest anti-US overtones to the incident, which seemed representative of similar outbreaks between extreme left and right student groups reported recently in most major Turkish cities. The disorders have forced administrators to suspend classes at several universities. More than ten youths have died since the violence began last fall.

Press reports indicate that both President Koruturk and Prime Minister Demirel are considering imposing martial law. Last fall, Demirel was able to avoid such firm action—difficult because of tensions within his coalition—because of the fortuitous intervention of the holiday season that put a temporary damper on the violence. He may have obtained support for sterner measures during a series of highly publicized meetings last month with educators, politicians, and military leaders.

If the current wave of disorders continues at its present level for an extended period or increases significantly, martial law or other harsh measures may be unavoidable. If Demirel cannot act on his own, the senior military leadership is likely to force the government into action.

The violence has increased political tensions, already aggravated by coalition squabbling and the tactics of the aggressive parliamentary opposition. Government and opposition members have traded charges of responsibility for the problem. Opposition leader Ecevit asserted earlier this week that Demirel's coalition was not fit to govern if it could not ensure domestic security. Other members of Ecevit's party revived charges that one of Demirel's coalition partners—National Action Party leader Turkes—was supporting the right-wing students. One of Turkes' subordinates countered by implicating parties of the far left.

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The Europe of the Nine is re-examining its long-term objectives in the hope of reaffirming them and thus agree on new ways to stimulate progress toward European unity. The focal point for this review will be the analysis of the state of unification efforts, which Belgian Prime Minister Tindemans recently submitted to his fellow EC leaders.

The March summit session of the Nine—the European Council—will reportedly by largely given over to discussing the report, and the Council may direct that concrete proposals be drawn up for consideration at its summer meeting. It is unlikely that measures would be approved before the end of the year.

Adoption of key proposals will pose a serious dilemma for some of the Nine, because Tindemans' analysis suggests that the process of unification will require more binding coordination of foreign policy, security matters, and internal Community problems.

Some controversy has also followed from Tindemans' observation that the Nine are not equally able to move toward economic and monetary union. The stronger members should thus be allowed to go ahead with joint plans, leaving the rest—Ireland, the UK, and Italy—to catch up when possible. Although Tindemans carefully notes that all should participate in deciding on common goals, the proposal still smacks of the so-called "two-tier approach" floated last year by former chancellor Brandt and opposed by the prospective "outsiders" as creating a kind of second-class EC citizenship.

Tindemans was assigned the task of drafting the report at a European Council meeting in December 1974. During the past year he has discussed the full range of European issues with party, government, business, and labor leaders in all of the member countries; the EC institutions also contributed proposals.

At a press conference this week, Tindemans said it was his overall impression from these talks that Europe's best course still lies in unification. He said he nevertheless found the public skeptical because the necessary political will on the part of its leaders is missing. In order to mobilize European opinion, he believes it is essential that firm commitments be made on specific objectives and that parallel provision be made for a substantial strengthening of Community institutions.

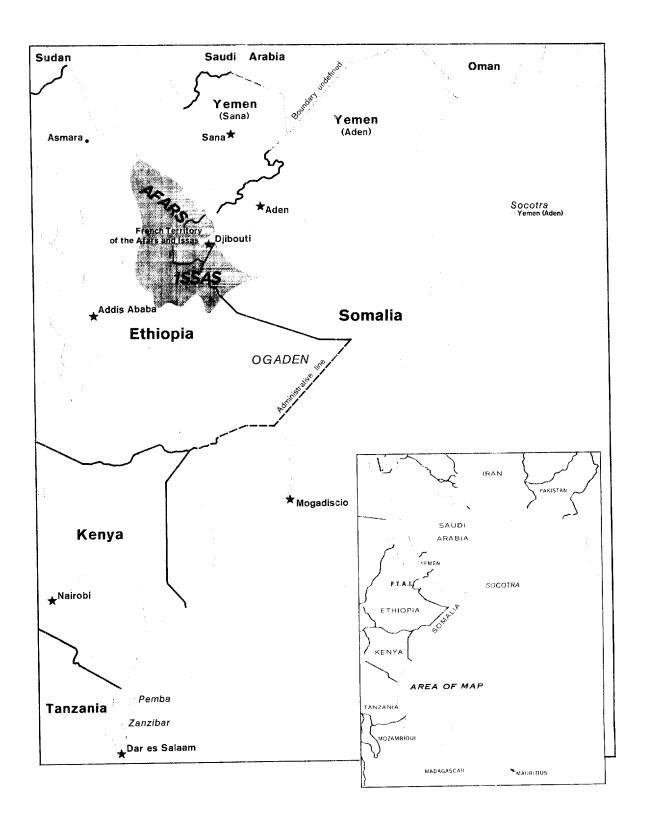
In foreign affairs, Tindemans asserted that a "single decision-making center" should no longer differentiate between political cooperation and subjects specifically covered by the Community treaties. The foremost areas of concern he listed are:

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- -- A policy toward the developing world.
- -- Relations with the US.
- -- Security policy.
- --Political uncertainty in Europe-specifically the Mediterranean region.

Tindemans emphasized the overriding importance of the US to Europe and said that the necessity for Europe to speak to the US with one voice is one of the underlying arguments for integration. He wants one of the Nine to be delegated to reach a common understanding with the US on the "character and scope" of US-European relations—a notion that one Luxembourg official has already called risky because it moves away from a possibly less contentious case-by-case approach.

Tindemans said that although a common defense por regular consultations are needed in the meantime on secu- on specific defense issues. Among the latter he included manufacture. Specific consideration should be given to the	ong the latter he included cooperation in armaments
a European armaments agency.	



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SOMALIA-ETHIOPIA

Relations between Somalia and Ethiopia, which have steadily deteriorated during the past year, are likely to worsen further as a result of France's plan to give independence to the French Territory of the Afars and Issas and Somalia's backing of Ethiopian dissidents.

The US embassy in Mogadiscio believes, however, that the Somalis are unlikely to make a direct military move against Ethiopia, in part because the USSR, their military supplier, has apparently indicated it would not support such a venture.

Somali President Siad has shown no desire to lessen tension between the two countries, fearing that such a move might enhance the stability of the Ethiopian military government. On the contrary, Mogadiscio is now giving support to insurgent groups in Ethiopia, hoping to contribute to the downfall of the ruling military council or to force Addis Ababa to make territorial concessions.

Somalia claims Ethiopia's Ogaden region, which is inhabited by ethnic Somalis. In recent months, the Somalis have trained and armed several hundred Ethiopian insurgents, some of whom have already entered southern Ethiopia, where they have attacked security forces as well as civilians.

Events in the neighboring French territory could spark new trouble between Mogadiscio and Addis Ababa. The Somalis believe Ethiopia has been maneuvering to deny true self-determination to the territory by supporting France's plan to turn over control of an independent government to Ali Aref Bourhan, a member of the Afar tribe that straddles the border with Ethiopia, and maintain him in power by continuing to base French troops in the territory.

The Somalis strongly oppose the plan and will surel	y try to block its
implementation. Mogadiscio covets the territory for itself, cla	ming that the issas,
who are ethnic Somalis, form the majority of the population.	

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JAMAICA

The violence in Kingston, Jamaica, over the past few days seems in part to have been instigated by radical groups who want Prime Minister Michael Manley to accelerate his move to the left. They particularly want him to recognize the regime declared by the Popular Movement for the Liberation of Angola.

Manley has tried to mollify the left on this issue by sending a message to the OAU blasting South Africa's "invasion" of Angola and justifying Cuba's role there. He stopped short of recognizing the Popular Movement.

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So far, Manley has refused to give security forces a free hand in halting the violence. If the violence continues, he may be forced to take measures that could complete the alienation of his party's left wing.

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LAOS-THAILAND

Vientiane's economic difficulties have eased somewhat, following Thailand's partial reopening of the border on January 1. Many Lao are crossing the Mekong to shop in the principal Thai town near Vientiane, and consumer goods are beginning to return to Vientiane markets. Gasoline is again being imported, but the Lao government is not yet permitting retail sales.

In order to reduce Vientiane's food requirements, the Lao communists have initiated a modest resettlement program for residents of the capital. According to a recent government broadcast, 66 families are being relocated to a district north of Vientiane. Additional population relocations are likely as the Lao attempt to move toward their goal of self-sufficiency in food production.

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ROMANIA: A new commercial airline, Romanian Airlines, reportedly has been established primarily to serve Israel. The new airline was formed in mid-December, apparently as a device to get around the Arab Boycott Organization's blacklisting in August of Tarom, Romania's other commercial airline. The boycott is believed to be based on Tarom's transporting Romanian emigrants to Israel. The boycott is politically embarrassing to President Ceausescu whose "balanced" Middle East policy recently has come under increased attack from the more radical Arabs. Romania has conducted an intensive lobbying campaign to have the sanction removed.

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